Alberta Economy

Indicators at a Glance

Economic Activity

The Alberta Activity Index (AAX) was up 3.6% year-over-year (y/y) in December and is up 5.1% for 2017. Alberta's real GDP by expenditure fell by 3.7% in 2016, the largest drop among the provinces for the second year in a row.

Population

Alberta's population was 4,306,039 as of October 1, 2017, an increase of 1.3% from the year prior. Canada's population grew 1.3% from a year ago.

Migration

Net migration to Alberta was 11,106 in the third quarter of 2017. During this time, Alberta welcomed 10,363 net international migrants, while there was a net inflow of interprovincial migrants (+743) for the first time in eight quarters.

NEW: Employment[1]

The economy added 2,300 jobs in February, as gains in part-time positions more than offset a decline in full-time positions. Employment rose 2.0% y/y, reflecting employment gains in both the goods (+4.8% y/y) and services (+1.0% y/y) sectors.

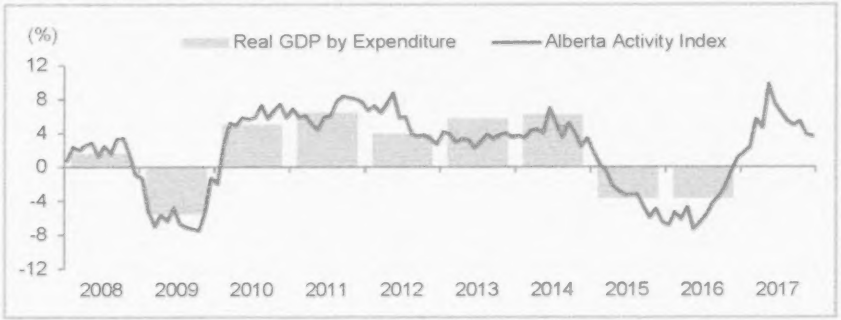
NEW: Unemployment Rate[1]

Alberta's unemployment rate fell by 0.3 percentage point to 6.7% in February. Canada's unemployment rate ticked down 0.1 percentage point to 5.8%.

NEW: Rigs Drilling

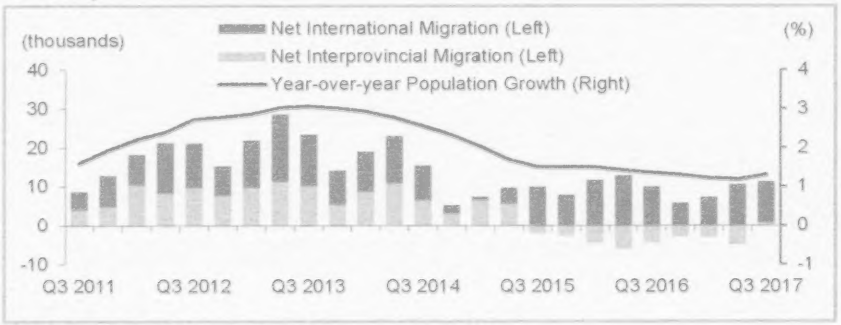
The number of active rigs in Alberta averaged 216 in February, up 15% y/y. The average rig utilization rate was 52%, up from 43% a year ago.

Economic Activity
Year-over-year % change



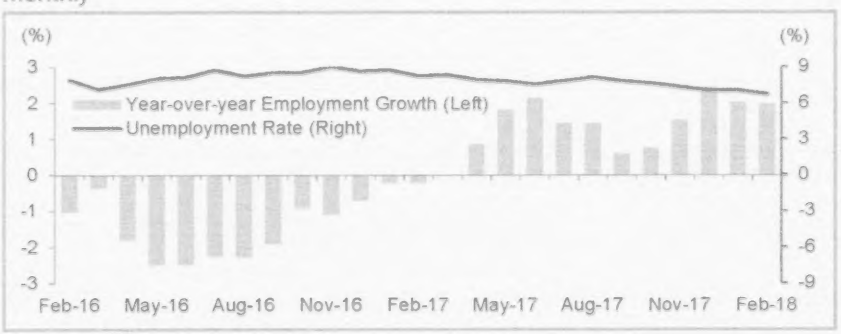
Sources: Statistics Canada and Alberta Treasury Board and Finance

Demographics
Quarterly



Source: Statistics Canada

Labour Market
Monthly



Source: Statistics Canada

Inflation

The annual Inflation rate in Alberta dipped by 0.6 percentage points to 1.4% y/y in January, reflective of an annual decline in natural gas prices. Excluding food and energy prices, core inflation also fell by 0.1 percentage point to 1.0% y/y.

Average Weekly Earnings[1]

Average weekly earnings (AWE) in Alberta ticked up by 0.1% m/m in December to $1,149. Earnings increased 1.2% y/y as gains in services sector earnings more than offset declines in the goods sector.

Retail Sales[1]

Alberta retail sales fell 0.5% m/m to $6.7 billion in December. Retail sales are up 4.7% y/y, the thirteenth consecutive month of year-over-year gains.

NEW: Housing Starts[1]

Alberta housing starts fell by 3.5% m/m in February to 24,301 units (annualized). They were down 8.5% y/y, with declines in both multi-family (-14% y/y) and single-family starts (-7.2% y/y).

NEW: New Housing Price Index

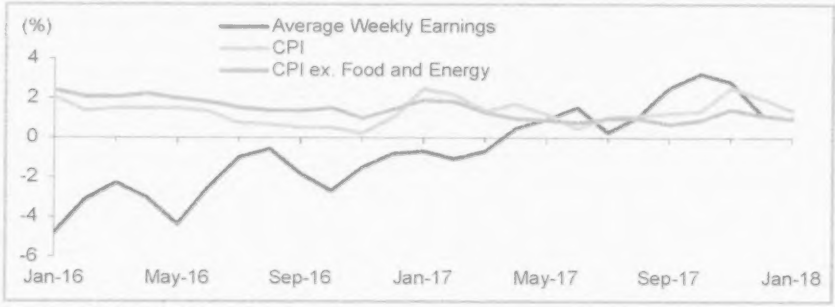
In January, Alberta's New Housing Price Index (NHPI) ticked up by 0.1% y/y. The house-only component was unchanged, while land prices were up (+0.4% y/y).

NEW: Building Permits[1]

Alberta building permits eased by 13% y/y in January to $1.1 billion, as increased residential permits (+5.3% y/y) was more than offset by a decline in non-residential permits (-33% y/y) .

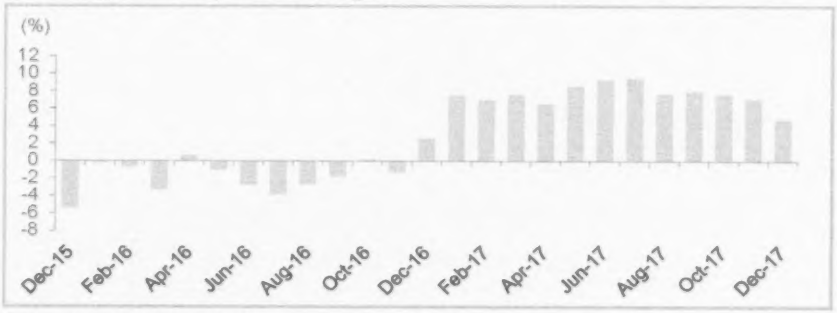
[1] Seasonally adjusted

Inflation and Earnings
Monthly, year-over-year % change



Source: Statistics Canada

Retail Sales
Monthly, year-over-year % change



Source: Statistics Canada

Housing Market
Monthly

Source: Statistics Canada, Canada Mortgage and Housing Corporation

Contact

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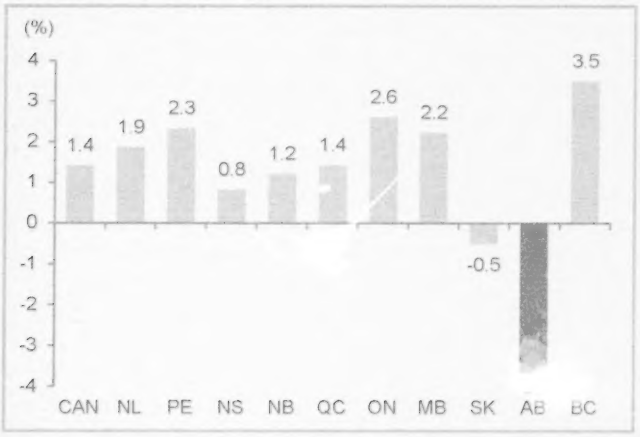
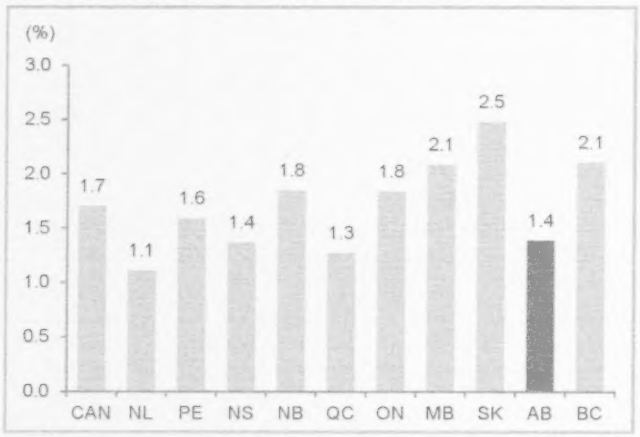
	Canadian Dollar (USc/$CAN)	WTI Oil ($US/bbl)	NYMEX Natural Gas ($US/MMBtu)	Alberta Reference Price ($C/GJ)
Latest (March 8, 2018)	77.36	60.12	2.76	1.82 (December)
Fiscal year-to-date	78.02	52.94	2.98	1.87

Please see the *Weekly Economic Review* for current analysis on the Alberta economy.

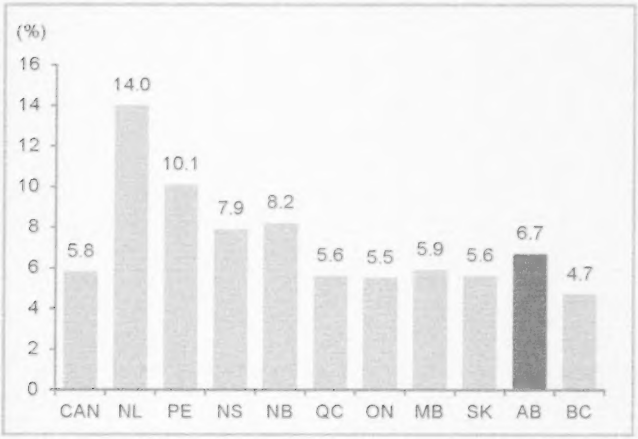
Real GDP by Expenditure
(2016, year-over-year growth)



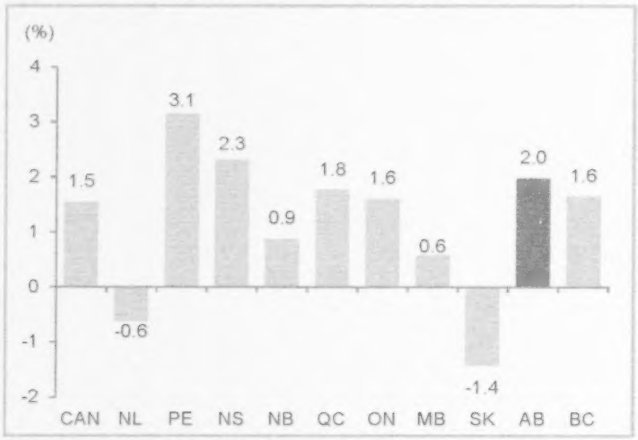
CPI Inflation
(January 2018, year-over-year growth)



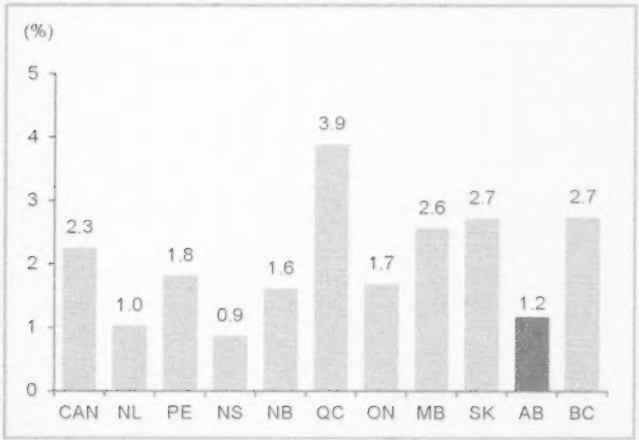
Unemployment Rate
(February 2018)



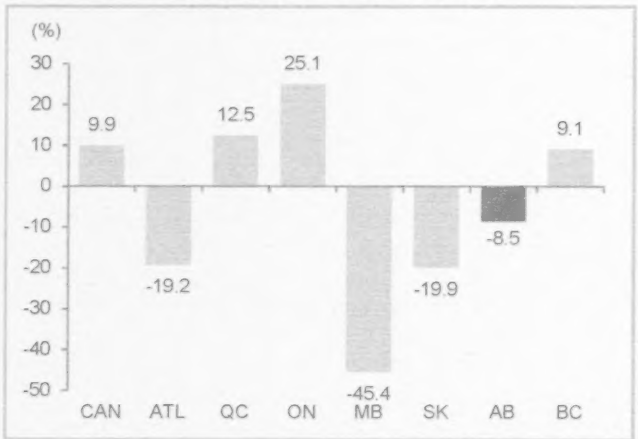
Employment
(February 2018, year-over-year growth)



Average Weekly Earnings
(December 2017, year-over-year growth)



Housing Starts
(February 2018, SAAR, year-over-year growth)



Alberta Economic Indicators

	2016	2017	2018YTD	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Alberta Activity Index (y/y % change)	-4.4	-5.1		4.9	5.4	3.9	3.6		
Population[1]									
Population (thousands)	4,236	4,286	4,306		4,306				
y/y % change	1.4	1.2	1.3		1.3				
Net Interprovincial Migration	-15,108	-15,131	743		743				
Net International Migration	42,102	33,210	10,363		10,363				
Labour Market									
NEW Employment (thousands, SA)	2,264	2,287	2,316	2,282	2,293	2,300	2,320	2,315	2,317
m/m change (thousands)				-5.2	10.5	7.1	20.4	5.9	2.3
y/y % change	1.6	1.0	2.0	0.8	0.8	1.5	2.4	2.0	2.0
NEW Unemployment Rate (%, SA)	8.1	7.8	6.9	7.9	7.6	7.3	7.0	7.0	6.7
NEW Participation Rate (%, SA)	72.5	72.4	72.1	72.0	72.2	72.1	72.4	72.2	71.9
Average Weekly Earnings ($, SA)	1,119	1,129		1,144	1,140	1,147	1,149		
y/y % change	2.4	1.0		2.5	3.2	2.8	1.2		
Household Sector									
Retail Sales ($ million, SA)	75,110	80,734		6,749	6,797	6,770	6,740		
y/y % change	-1.2	7.5		8.0	7.5	7.1	4.7		
New Vehicle Sales (units, thousands)	224	249		23	20	19	16		
y/y % change	-7.6	11.2		9.8	17.4	-0.7	0.5		
Consumer Price Index (y/y % change)	1.1	1.6	1.4	1.3	1.3	2.5	2.0	1.4	
Excluding Food & Energy	1.7	1.1	1.0	0.7	0.9	1.4	1.1	1.0	
NEW Housing Starts (SAAR, 000's)	24.5	29.5	24.7	29.2	29.7	34.7	23.3	25.2	24.3
y/y % change	-34.2	20.1	9.4	2.7	16.5	37.7	-11.2	34.9	-8.5
NEW New Housing Price Index (y/y % change)	-0.5	-0.2	0.1	0.3	0.4	0.4	0.1	0.1	
Resale Home Sales	54,798	57,187	4,971	4,622	4,507	4,755	5,678	4,971	
y/y % change	-7.6	4.3	3.3	0.9	0.9	11.5	17.8	3.3	
Sales to New Listing Ratio	0.50	0.49	0.54	0.47	0.47	0.50	0.58	0.54	
MLS Average Resale Prices ($ thousands)	397	398	392	393	390	387	386	392	
y/y % change	0.3	0.4	-1.5	-1.9	0.2	3.2	-4.6	-1.5	
Consumer Bankruptcies (level)	5,427	5,008		404	450	403	350		
y/y % change	26.8	-7.7		-11.8	2.3	-13.3	-12.7		
Business Sector									
NEW Goods Exports (customs based,$ million)	79,213	100,232	10,072	7,431	8,461	8,441	9,103	10,072	
y/y % change	14.3	26.5	18.5	5.7	1.5	7.4	14.8	18.5	
NEW Energy Products ($ million)	51,594	69,594	7,441	4,985	5,786	5,818	6,503	7,441	
y/y% change	-17.5	34.9	20.8	4.7	24.2	5.3	17.8	20.8	
NEW Agricultural Products ($ million)	6,284	7,314	685	502	741	654	607	685	
y/y % change	-2.9	16.4	9.1	6.2	35.9	7.1	9.6	9.1	
NEW Rigs Drilling	79	131	207	127	133	143	155	197	216
y/y% change	-34.0	66.0	6.8	50.7	31.3	32.4	2.9	0.9	14.9
Manufacturing Shipments ($ million, SA)	62,703	71,324		5,885	6,056	6,109	6,241		
y/y% change	-8.0	13.7		10.7	14.9	12.2	11.7		
Wholesale Trade ($ million, SA)	71,765	79,363		6,689	6,784	6,748	6,809		
y/y% change	-9.6	10.6		13.9	14.9	13.5	10.5		
NEW Building Permits ($ million, SA)	14,200	14,245	1,092	1,470	1,007	1,288	1,130	1,092	
y/y% change	-15.2	0.3	13.3	30.5	-52.8	18.1	35.4	13.3	
NEW Residential Permits ($ million, SA)	7,930	8,400	678	692	607	715	760	678	
y/y % change	-19.7	5.9	5.3	-0.6	-58.6	12.6	69.7	5.3	
NEW Non-Residential Permits ($ million, SA)	6,270	5,845	414	779	401	574	371	414	
y/y% change	-8.8	-6.8	-32.8	80.6	-39.4	25.7	-4.3	-32.8	
Non-Res. Building Cons. Price Index[2] (y/y % change)	2.8	0.5		0.9			1.2		

[1] Population data presented on a census year basis (July 1– June 30). The current census year 2017.

[2] Quarterly, average of Calgary and Edmonton

YTD YTD (year-to-date). "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate. All annual data is unadjusted.

Sources: All data is from Statistics Canada except the Alberta Activity Index (Alberta Treasury Board and Finance), Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada). All historical data are subject to revision